



9-month sales: €87.9m Measures to adjust the cost structure Confirmation of objectives

In the first nine months of the 2012 financial year, the HF Company hp reported sales of €87.9m, down 18.2%. Sales fell by 23.2% to €26.4m in the third quarter. As already announced, this drop reflected a combination of two factors unrelated to the group's commercial performance.

Sales (€m)	Q3 12	Q3 11	9 months 12	9 months 11
Domestic Digital*	7.8	11.1	28.9	34.6
Office automation ergonomics	8.4	8.8	28.0	27.6
PCL	4.2	8.3	13.9	24.8
Broadband	6.1	6.2	17.1	20.5
Consolidated sales	26.4	34.4	87.9	107.5

* Formerly referred to as "TV Universe" or "TV/Multimedia division" but exactly the same consolidation structure

Activity affected by completion of the switch-over and hurt by discontinuation of supply to Netpower

The downturn during the first nine months of the year was mainly felt in the Domestic Digital and PCL divisions, due to completion of the TNT switch-over in France and elsewhere in Europe and discontinuation of the supply of the PCL Netpower product to the group's largest customer. Together, these two developments shaved €16.7m off sales.

The Office Automation Ergonomics unit turned in growth during the first nine months despite weak consumption in Europe, helped by a proactive product innovation strategy, as demonstrated by the successful launch of the Home-Box in partnership with Castorama. After a low in the first quarter, Broadband sales began to pick up again to a stable level in Q3.

Ongoing adjustment of the cost structure

The flexibility of the group's model enabled it to continue adjusting operating costs:

- The restructuring plan implemented in H1-2012 at LEA, the subsidiary dedicated to operator PCL and Broadband, will begin to produce results by the end of the year.
- Management continued to improve critical mass by pooling the logistics of the French subsidiaries of the Domestic Digital division.

Outlook for 2012

The decline of sales will have only a limited impact on the margin since the downturn mainly reflected high-volume products and will be offset by rapid restructuring measures, allowing the group to maintain profits and cash flow in the second half.

HF Company's capacity to preserve capital in a historically difficult consumer electronics environment will enable the group to continue financing expansion internally and give the flexibility needed to keep up with or stay ahead of market developments.

Contacts

HF Company

☎: +33 2 47 34 38 38

comfi@hfcompany.com

Press: Stéphanie Stahr

☎: + 33 1 45 96 77 83

stahrst@cmccs.com

HF

☎:

com

ISIN: FR0000038531– Reuters: HFCO.LN Bloomberg: HFCO NM



About HF Company: HF Company is a major player in the Digital TV and Home Automation markets, and a leading supplier to PLC (Power Line Communication) operators. In its Broadband business, the Group is also the world's leading supplier of splitters. HF Company is quoted on Eurolist (Compartment C) and has been awarded the Entreprise Innovante (Innovative Business) label by OSEO ANVAR (number A0912002F).

